

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO.95-497-C - ORDER NO. 95-1403
AUGUST 4, 1995

IN RE: Application of Kast Communications,) ORDER
Inc. for Approval for the Transfer of) APPROVING SALE
Certain Assets and Its Certificate of) OF ASSETS AND
Public Convenience and Necessity to The) TRANSFER OF
Furst Group.) CERTIFICATE

This matter comes before the Public Service Commission of South Carolina (the Commission) on the Application of Kast Communications, Inc. (Kast or the Applicant) for approval of the transfer of certain of its assets and its Certificate of Public Convenience and Necessity to provide intrastate resold telecommunications services to The Furst Group (Furst). The Application was filed pursuant to S.C. Code Ann. §58-9-310 (Supp. 1994).

On February 10, 1995, Kast filed its Application with the Commission. The Application requested approval of an Asset Purchase Agreement under which Kast would sell and Furst would purchase (1) any and all rights to future commissions for business transacted with Furst or with any other communications sales, (2) all customer lists and records including original letters of Authorization, and (3) all of Kast's customer accounts. The Agreement also provided that Kast's Certificate of Public Convenience and Necessity to provide resold telecommunications service in South Carolina would be transferred to Furst.

By letter dated March 22, 1995, the Commission's Executive Director instructed Kast to publish a prepared Notice of Filing in newspapers of general circulation in the areas affected by Kast's Application. The purpose of the Notice of Filing was to inform interested parties of the manner and time in which to file comments or pleadings for participation in this proceeding. Kast complied with the Executive Director's instructions and submitted an affidavit of publication. No protests or Petitions to Intervene were received by the Commission.

Pursuant to S.C. Code Ann. §58-9-310 (Supp. 1994), a public hearing regarding Kast's Application was held in the Commission's hearing room at 111 Doctors Circle on July 19, 1995. The Honorable Rudolph Mitchell presided. Kast was represented by B. Craig Collins, Esquire; the Commission Staff was represented by Florence P. Belser, Staff Counsel.

Kast presented Jeffrey L. Bockol, Vice President of Kast, to testify regarding the Application and to explain the proposed transfer of assets. Mr. Bockol testified that Kast is a telephone utility certificated by this Commission to provide intrastate resold telecommunications services in South Carolina. According to Mr. Bockol, Furst is a New Jersey corporation, and two of Furst's majority shareholders are the shareholders of Kast. Mr. Bockol testified that approval of the asset transfer is in the public interest as the transfer will result in a unification of assets and authority with the corporate structure of Furst which will result in significant efficiencies that will strengthen the services now offered by Kast. Mr. Bockol explained that Furst has heretofore

provided sales personnel and service support to Kast in Kast's provision of resold telecommunications service. Mr. Bockol offered that the resultant efficiencies would strengthen the level of competition in the resold long distance telecommunications market.

Mr. Bockol also offered that Furst is fit, willing, and able to provide the long distance services in questions. Mr. Bockol testified that Furst has sufficient financial standing and resources to offer the long distance services in South Carolina. Mr. Bockol also stated that Furst is certificated as a reseller in thirty-seven (37) states and has the necessary technical and managerial ability to operate in South Carolina.

Upon review and consideration of the Application, the testimony presented at the hearing, and the applicable law, the Commission makes the following findings of fact and conclusions of law:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. Kast is a telephone utility certificated by this Commission pursuant to Commission Order No. 93-306, dated July 9, 1993. Furst is a New Jersey corporation also engaged in the provision of resold telecommunications services.

2. Kast and Furst have entered into an Asset Purchase Agreement whereby Furst agrees to purchase, and Kast agrees to sell, certain assets of Kast. Pursuant to the Asset Purchase Agreement, Kast and Furst desire that Kast's Certificate of Public Convenience and Necessity be transferred to Furst.

3. The asset transfer as described in the Application and the Asset Purchase Agreement is in the public interest and therefore,

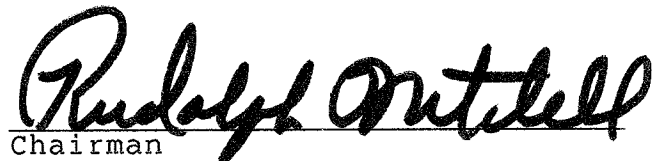
the Commission approves the requested transfer of assets.

4. The Commission finds that Furst has the experience, capability, and financial resources to provide resold long distance telecommunications within the State of South Carolina. Based on this finding, the Commission concludes that Furst is qualified to provide resold telecommunications within South Carolina and hereby approves the transfer of Kast's Certificate of Public Convenience and Necessity to Furst.

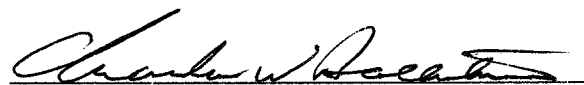
5. Furst shall abide by the terms and conditions set forth in Order No. 93-306, Docket No. 93-233-C dated July 9, 1995, which granted the Certificate of Public Convenience and Necessity to Kast.

6. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)